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2 UNITED STATES DISTRICT COURT  
3 FOR THE NORTHERN DISTRICT OF CALIFORNIA  
4 SAN FRANCISCO DIVISION

5 - - - - -x  
6 SURGICAL INSTRUMENT SERVICE COMPANY, INC.,  
7 Plaintiff,  
8 -against-  
9 INTUITIVE SURGICAL, INC.,  
10 Defendant.

11 - - - - -x  
12 Virtual Zoom Deposition  
13 March 6, 2023  
14 8:30 a.m.

15  
16 VIRTUAL VIDEO DEPOSITION of JEAN SARGENT,  
17 in the above-entitled action, held at the  
18 above time and place, taken before Jeremy  
19 Richman, a Shorthand Reporter and Notary  
20 Public of the State of New York, pursuant to  
21 the Federal Rules of Civil Procedure, and  
22 stipulations between Counsel.

23  
24 \* \* \*  
25

1  
2 APPEARANCES:

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PRESENT:

15 COREY WAINAINA, Videographer

BILL CRADDOCK, Concierge

16 \* \* \*  
17  
18  
19  
20  
21  
22  
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25

1 J. SARGENT

2 THE VIDEOGRAPHER: Good 08:29:08

3 morning again, everyone. We are 08:32:15

4 going on the record at 8:32 a.m. 08:32:17

5 Eastern time on Monday, March 6, 08:32:21

6 2023. Please note that this 08:32:25

7 deposition is being conducted 08:32:28

8 virtually. Quality of recording 08:32:29

9 depends on the quality of camera 08:32:32

10 and internet connection of 08:32:33

11 participants. What is seen from 08:32:37

12 the witness and heard on screen is 08:32:38

13 what will be recorded. Audio and 08:32:41

14 video recording will continue to 08:32:41

15 take place unless all parties agree 08:32:41

16 to go off the record. 08:32:41

17 This is media unit one of the 08:32:41

18 video recorded deposition of Jean 08:32:56

19 Sargent in the matter of Da Vinci 08:32:57

20 and Surgical Instrument Service 08:33:02

21 Company, Inc., versus Intuitive 08:33:04

22 Surgical, Inc. This was filed in 08:33:08

23 the United States District Court 08:33:09

24 for the northern district of 08:33:11

25 California, San Francisco division. 08:33:13

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1 J. SARGENT

2 -- send out instruments to third 14:58:24  
3 parties at different rates, depending 14:58:26  
4 upon whether the manufacturer is 14:58:28  
5 providing the service, or whether a 14:58:29  
6 third party is providing the service? 14:58:31

7 A. No. 14:58:32

8 Q. Okay. So what's the nuance 14:58:32  
9 there between trocars having only 14:58:35  
10 Johnson & Johnson as the vendor who can 14:58:38  
11 perform the service, as opposed to the 14:58:41  
12 electrophysiology diagnostic catheters 14:58:44  
13 that have two vendors, to your 14:58:47  
14 knowledge, two third-party vendors? 14:58:50

15 A. Most often it's due to the 14:58:51  
16 education of the staff. The staff has 14:58:55  
17 been informed that an EP catheter is 14:58:58  
18 expensive, and that the institution 14:59:03  
19 wants to have those reprocessed for 14:59:06  
20 cost savings matters, and they'll make 14:59:09  
21 sure they do that, so an 14:59:10  
22 electrophysiology catheter is \$1,500, a 14:59:13  
23 trocar is maybe \$50. 14:59:22

24 So there's a big price 14:59:25  
25 difference there, and there's a bigger 14:59:26

1 J. SARGENT

2 cost savings difference. That's why 14:59:26  
3 there's much more of a focus on the EP 14:59:29  
4 catheters. 14:59:33

5 Q. Okay. So if I heard you 14:59:34  
6 right before, just correct me if I 14:59:35  
7 misheard this, you said that hospitals 14:59:39  
8 can usually save 50 percent on the 14:59:43  
9 electrophysiology diagnostic catheters 14:59:47  
10 by sending them out for refurbishment; 14:59:50  
11 is that right? 14:59:54

12 A. Yes. 14:59:55

13 Q. And how much is a new 14:59:56  
14 electrophysiology diagnostic catheter 15:00:01  
15 today? 15:00:03

16 A. I believe it's around \$1,500. 15:00:03

17 Q. And so what you're saying, 15:00:08  
18 then, is that these companies that 15:00:12  
19 offer the refurbishment of those 15:00:14  
20 instruments are offering to do that 15:00:16  
21 refurbishment for \$750; is that right? 15:00:19

22 A. Yes. 15:00:26

23 Q. And can electrophysiology 15:00:26  
24 diagnostic catheters be sent out as 15:00:29  
25 many times as the hospital wants to 15:00:33

1 J. SARGENT

2 send out to do the refurbishment? 15:00:35

3 A. Yes, they're not counted. 15:00:37

4 Q. Okay. So why -- so is it 15:00:38

5 true that -- is there any reason that 15:00:43

6 hospitals purchase new ones? 15:00:45

7 A. The hospital will purchase 15:00:46

8 new when they have not turned in enough 15:00:50

9 product to be purchased to fill the 15:00:54

10 shelves. 15:00:58

11 Q. Am I right that you would 15:01:04

12 expect the penetration rates for the 15:01:05

13 reset service of SIS to be lower than 15:01:08

14 the penetration rate for 15:01:11

15 electrophysiology diagnostic catheters? 15:01:13

16 A. I would expect it to be 15:01:17

17 similar because of cost. 15:01:19

18 Q. Right, the cost savings here 15:01:22

19 we're talking about for 15:01:25

20 electrophysiology diagnostic catheters 15:01:26

21 is higher than the cost savings that 15:01:28

22 Mr. Johnson identified, right? 15:01:31

23 A. Slightly. 15:01:37

24 Q. Do you know what the cost of 15:01:38

25 any -- of a new EndoWrist is? 15:01:41